# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3035
ANSWERED ON:15.03.2013
LOAN TO TEXTILE SECTOR
Singh Shri Radha Mohan

**Will the Minister of FINANCE be pleased to state:**

(a) whether any loan at subsidised rates is being provided by the public sector banks (PSBs) people to minority communities and low income groups engaged in handloom and textiles industry;

(b) if so, the details thereof along with the rate of interest charged thereon during the last three years and the current year, bank-wise; and

(c) the assistance proposed to be given by the Government to strengthen these industries?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b) Reserve Bank of India has de-regulated the interest rates. With effect from 1st July, 2010, Banks are required to price their loan products linked with the base rate as approved by their respective Boards. Banks are not permitted to resort to any lending below the Base Rate. However, Govt. of India is providing the credit related interventions like (i) issuance of weavers' credit card; (ii) interest subvention @ 3% for 3 years on fresh loans sanctioned; (iii) margin money assistance @ Rs. 4200 per handloom weaver and (iv) credit guarantee for 3 years. For ensuring the availability of subsidized yarn, the Government of India is providing 10% price subsidy on domestic silk and cotton hand yarn to handloom weavers. Ministry of Textiles under Technology Upgradation Fund Scheme (TUFS) provides assistance to powerloom and handloom sectors for modernization and upgradation of the textiles industry by providing credit at reduced rates to the entrepreneurs both in the organized and the unorganized sector in the textiles industry.

(c) In the Budget speech 2013-14 Finance Minister has announced to provide handloom weavers working capital and term loans at a concessional interest of 6%, by providing interest subvention.